SIXTY-EIGHTH ANNUAL REPORT

FOR THE FISCAL YEAR ENDED JANUARY 7, 1992

Alberta
LIQUOR CONTROL BOARD

Alberta
LIQUOR CONTROL BOARD

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Alberta
SOLICITOR GENERAL

Office of the Solicitor General

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June 1992

The Honourable Dr. D. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit the Annual Report of the Alberta Liquor Control Board for the fiscal year ended January 7, 1992.

Respectfully submitted,

Stephen C. West
Solicitor General

Alberta
LIQUOR CONTROL BOARD

Office of the Chairman
and Chief Executive Officer

50 Corriveau Avenue, St. Albert, Alberta Canada T8N 3T5

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June 1992

Honourable Dr. Stephen West
Solicitor General
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Sir:

I have the honour to submit the sixty-eighth report of the Alberta Liquor Control Board for the fiscal year ended January 7, 1992, pursuant to Section 24 of the Liquor Control Act.

Respectfully submitted,

Bob King
Chairman and Chief Executive Officer

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Organizational Profile

The Alberta Liquor Control Board is an agent of the Crown. It falls under the jurisdiction of the Solicitor General of Alberta and consists of the Chairman and Chief Executive Officer, Deputy Chairman and Board Member.

The corporate arm of the ALCB administers the organization's operational and administrative duties and at January 7, 1992 was structured into five Divisions - Marketing and Operations, Corporate Services, Finance, Licensing and the Board related offices including Internal Audit and Legal Services. The ALCB was restructured in 1990 to enhance communications and accountability, and to improve the overall efficiency of the organization to achieve its service objectives and ability to respond effectively to the changing marketplace of the 1990s.

The ALCB's mission is to provide people in Alberta with beverage alcohol and beverage alcohol-related services in a manner responsive to public demand, sensitive to current social values and within the economic and social policy framework of the Government of Alberta.

In achieving its mission, the ALCB: ensures product quality, selection and availability of beverage alcohol; provides technical support to the liquor manufacturing and hospitality industries in the province; regulates and controls the manufacture, importation, keeping and conveyance of beverage alcohol in Alberta; administers the Liquor Control Act and Regulation; and generates revenues for the citizens of Alberta.

In 1991 the ALCB continued to offer Albertans one of the most varied and extensive product selections in North America - more than 2500 product lines from 42 countries around the world. These products were made available across Alberta through a distribution network consisting of 209 liquor stores and 11 brewery owned retail beer outlets. In addition, 2 retail wine stores were operated by wine manufacturers, 22 retail wine stores were privately owned and operated, 18 retail beer stores were in operation as licensed premises, and two brew pubs also operated.

More than 6,000 licences were issued by the ALCB in 1991 for the sale of spirits, wine and beer. During 1991, 14 manufacturers held licences to make beverage alcohol in the province; these included 4 distillers, 2 vintners, 6 brewers and 2 brew pubs.

Net income from the ALCB is remitted to the Province's General Revenue Fund.

YEAR IN REVIEW

The following briefly highlights areas of significance in fiscal 1991.

LIQUOR CONTROL ACT

The new Liquor Control Act came into effect on July 1, 1991. It more clearly delineates the role of the Board as a policy making body and licensing authority, and that of the Corporation in licensing administration and business affairs of the ALCB. A Liquor Licensing Appeal Council was established to hear appeals from licensees on decisions of the Board in licensing matters. A Beverage Alcohol Advisory Committee also was established to advise the Solicitor General and the Board, as requested from time to time, on matters within the scope of the Liquor Control Act.

LIQUOR ADMINISTRATION REGULATION

A new Liquor Administration Regulation also took effect July 1, 1991. It consolidated into one regulation the previous five regulations, reduced the number of categories of licenses to five from 23, and reduced the number of types of permits to four from eight.

With fewer administrative procedures, there will be minimal intrusion in the business of licensees and permit holders. As a result, consumers will have more choices about the types of licensed premises they may visit, and when they may do so.

SALES

In 1991 the volume of total product sold increased by about 41 thousand hectolitres over the previous year.

The major increase was in beer sales. There was a moderate increase in wine products reversing the trend of the previous five years. Ten new retail wine stores, approved for Edmonton and Calgary in 1991, partially contributed to the increase in wine sales. Volumes of spirits continued to decline consistent with the national trend of the past decade. Additionally, the per capita consumption of absolute alcohol by Albertans continued to decline in 1991.

REVENUE

Total revenue fell by about $33.0 million due to continuing consumer purchasing trends towards lower alcohol and lower margin products, however, profits increased by about $4.4 million The price markup structure stayed constant throughout the fiscal year except for a markup adjustment on January 1, 1991, to keep the ALCB revenue neutral after the new G.S.T. was introduced.

REMITTANCES

Remittances to the Provincial Treasurer during fiscal 1991 amounted to $439 million - an increase of $39 million over 1990. Of this increase $4.4 million was in profit while the remainder was from the Corporation's cash position.

CAPITAL PROGRAM

During fiscal 1991 the Corporation continued to reduce capital expenditures. While three new stores were opened to replace existing stores and to take advantage of improved retailing opportunities, two additional stores were closed and not replaced.

The Corporation continued to downsize its leased space requirements as leases expired; the objective was to maintain existing retailing space at approximately the same level, while significantly reducing the total warehouse space in each store due to improved inventory management.

Closure of Calgary Warehouse

During the fiscal year the Corporation consolidated its warehousing requirements at its St. Albert Warehouse. This followed an assessment indicating that two warehouses were unnecessary and that all requirements could be accommodated at the St. Albert warehouse.

The result of this initiative on warehouse operating expenses, after factoring in the additional delivery costs, is a reduction in expenses of more than $1.0 million. Service to licensees in the Calgary Region continues at a high level due to an improved delivery system from St. Albert and by allowing licensees in Calgary to purchase product direct from ALCB stores in Calgary.

Trade Matters

Major developments occurred in the areas of international and interprovincial trade in 1991.

Internationally, a ruling by the General Agreement on Tariffs and Trade (GATT) in response to a complaint from United States brewers identified discriminatory trade practices in pricing, retailing and distribution of imported beer. While Alberta is considered to be one of the least restrictive liquor jurisdictions to suppliers of beer produced in the United States, changes will occur in both legislation and policy so that ALCB practices comply fully with the GATT ruling.

In interprovincial trade Alberta was a signatory to initiatives designed to remove long-standing trade barriers between the provinces in the listing and pricing of liquor products. Through the removal of these barriers, local, regional and national suppliers of products may be equally competitive in the Alberta marketplace and be competitively positioned with suppliers of imported products.

Staff Distribution

As at January 4, 1992

	Budgeted Full Time Positions	
Administrative Offices	[illegible]	1990
Chairman & Board Members	[illegible]	3
Executive Assistant	[illegible]	1
Administrative Officer	[illegible]	3
Secretaries & Clerical	[illegible]	4
Special Projects	[illegible]	
Divisions		
Board Related		
Internal Audit	[illegible]	20
Legal	[illegible]	5
Finance	[illegible]	103
Marketing & Operations		
Head Office	[illegible]	84
Stores	[illegible]	691
Warehouse and Distribution	[illegible]	120
Corporate Services	[illegible]	200
Licensing & Permits	[illegible]	82
Total	[illegible]	1,316
Budgeted full-time equivalencies for part-time and casual staff	[illegible]	495

LICENSING HIGHLIGHTS

LICENCES ISSUED

TYPE	CLASS	IN EFFECT DECEMBER 31, 1991	IN EFFECT DECEMBER 31, 1990
Beverage Room	A	584	578
Dining Lounge		2,939	2,871
Lounge		1,029	1,074
Night Clubs		3	7
Convention Centre	B	2	0
Public Conveyance		10	10
Racetrack		6	8
Recreational Facilities		237	192
Sports Stadium		19	17
Theatre		35	35
Canteens	C	48	48
Club			
Annual		282	260
Seasonal		266	267
Institution			
Residential Facility		85	73
Post-Secondary		29	28
Travellers Lounge		7	7
Hotel Off-Sales	D	516	497
Retail Beer Stores		18	17
Retail Wine Stores		22	13
Breweries	E	6	8
Brew-Pubs		2	1
Distilleries		4	4
Wine Manufacturers		2	4
		6,151	6,019

PERMITS ISSUED

	ISSUED 1991	ISSUED 1990
Private Resale and Non-Sale	35,349	40,261
Public Resale -		
Special Events, Home Delivery, Theatre	229	227
Wine Fair	1	0
Annual	256	233
Display	5	10
Physicians, Druggists, Dentists, etc.	46	84
Industrial	109	113
Hospital	63	84
Sacramental	5	4
	36,063	41,016

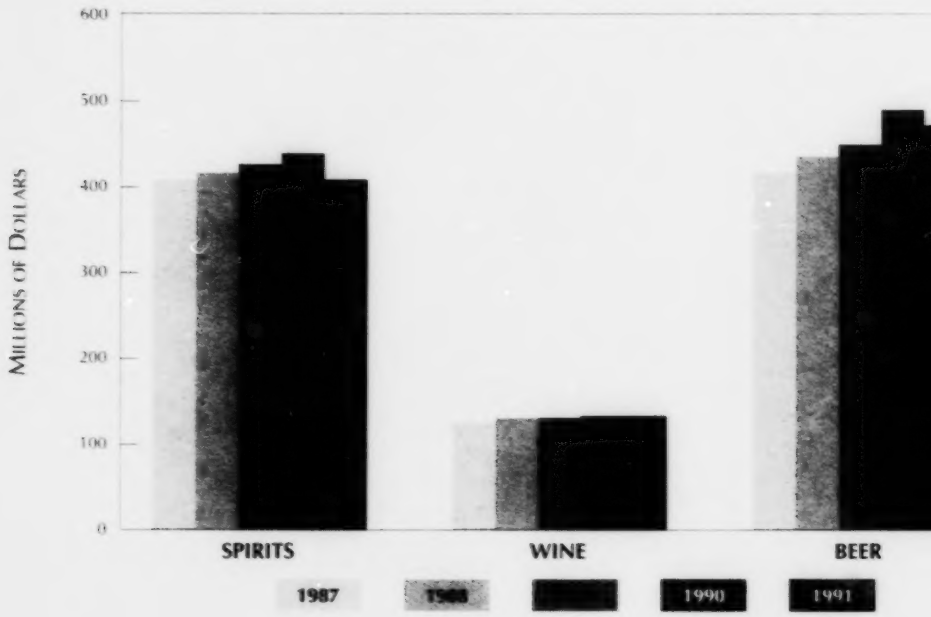
FINANCIAL HIGHLIGHTS - 1987 TO 1991

Dollars in millions; Volumes in thousands of hectolitres

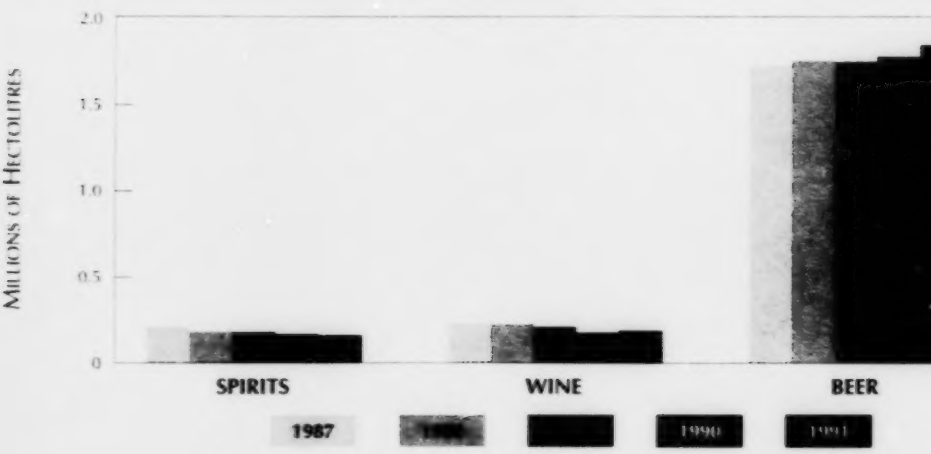
YEAR	SALES			REMIT TO TREASURY	NET INCOME	SALES TO LICENSEES	VOLUMES			NUMBER OF STORES	NUM BUD EMP
	SPIRITS	WINE	BEER				SPIRITS	WINE	BEER		
1991	399.1	135.7	472.6	439.0	408.2	346.3	173.8	193.7	1,820.1	220	1,
1990	425.6	135.1	480.1	400.0	403.8	349.5	182.1	192.6	1,772.0	223	1,
1989	420.5	133.6	448.5	379.0	383.0	306.5	186.8	200.8	1,728.3	227	1,
1988	417.1	133.5	435.3	365.0	387.2	290.9	195.5	210.0	1,730.2	226	1,
1987	401.2	132.4	408.5	366.5	359.8	274.2	201.2	215.9	1,720.8	228	1,

* Budgeted Full Time Positions

HISTORICAL SALES DOLLARS - 1987 TO 1991



HISTORICAL SALES VOLUMES - 1987 TO 1991



Financial Overview

Schedule of Sales by Stores

For the year ending January 7, 1992

	Total Sales 1991	Total Sales 1990
ACME	389,485	384,075
AIRDRIE	3,766,165	3,744,842
ALIX	546,754	540,908
ANDREW	343,103	361,711
ATHABASCA	2,939,954	2,892,628
BANFF	7,333,065	8,005,999
BARRHEAD	2,911,171	3,035,901
BASHAW	600,131	662,728
BASSANO	754,446	740,930
BEAUMONT	1,810,816	1,805,767
BEAVERLODGE	828,592	826,455
BEISEKER	531,532	530,754
BENTLEY	582,876	552,316
BIG VALLEY	142,779	140,639
BLAIRMORE	1,761,766	1,899,119
BONNYVILLE	3,392,425	3,466,815
BOW ISLAND	624,443	709,565
BOWDEN	434,075	435,860
BOYLE	1,198,343	1,129,499
BRETON	526,155	530,766
BROOKS	4,615,985	4,836,256
BRUDERHEIM	401,624	435,600
CALGARY		
-ALTADORE	4,523,497	5,013,255
-BRAESIDE	9,548,733	9,338,617
-BRENTWOOD	11,317,136	11,158,455
-CENTRAL	3,491,081	3,783,522
-CENTRE STREET NORTH	10,323,925	5,459,163
-CHINOOK	9,203,467	9,127,838
-CROWFOOT	6,967,588	6,999,057
-DEER RUN	4,912,541	4,987,665
-EATON CENTRE	2,859,407	1,241,333
-FOREST LAWN	10,003,237	11,347,598
-HUNTERHORN	11,165,950	12,467,135
-INGLEWOOD	3,520,490	2,415,122
-LEN WERRY (closed 08/90)	0	1,680,424
-MARKET MALL	7,080,744	5,969,560
-MIDNAPORE	5,301,992	4,848,080
-MISSION BRIDGE	2,106,650	3,713,820
-MONTGOMERY	4,936,718	5,145,276
-MOUNT ROYAL	10,099,351	5,146,989
-NORTH HILL	6,075,260	8,353,952
-OGDEN	4,710,526	4,761,227
-PALLISER	7,579,271	9,173,746
-SARCEE	5,739,726	5,587,885
-SUNRIDGE	13,988,840	15,412,111
-TRANS CANADA MALL	9,978,642	11,248,574
-WEST (closed 08/90)	0	629,859
-WESTBROOK	11,462,961	14,189,793
-WILLOW PARK	20,572,064	21,961,892
-WAREHOUSE	13,405,730	39,394,519
-RETAIL BEER	93,178,691	88,305,220
CALMAR	902,315	895,456
CAMROSE	5,793,034	5,875,747
CANMORE	3,280,065	3,184,983
CARBON	211,740	196,408
CAROLINE	761,492	653,165
CARSTAIRS	774,692	830,175
CASTOR	724,937	737,987
CLARESHOLM	1,547,538	1,587,801
COALDALE	1,147,659	1,168,212
COCHRANE	2,802,133	2,715,211
COLD LAKE	792,741	767,989
COLEMAN	505,424	500,586
CONSORT	803,430	825,691
CORONATION	824,025	813,930
CROSSFIELD	623,239	603,438
DAYSLAND	615,257	617,595
DELBURNE	413,867	424,303
DERWENT	169,454	186,969
DEVON	1,707,293	1,718,343
DIDSBURY	1,097,695	1,090,067
DRAYTON VALLEY	4,327,936	4,368,014
DRUMHELLER	3,875,552	4,039,622
ECKVILLE	856,339	888,925
EDGERTON	343,726	360,144
EDMONTON		
-ATHLONE	5,376,510	4,656,263

SCHEDULE OF SALES BY STORES

	Total Sales 1991	Total Sales 1990
-BEVERLY		7,407,939
-BONNIE DOON		4,222,892
-CALLINGWOOD		5,354,563
-CAPILANO		11,455,585
-CASTLE DOWNS		4,301,231
-CENTENNIAL (closed 05/90)	0	1,166,649
-CENTRE		3,566,689
-CLAREVIEW		3,544,567
-EAST		4,979,855
-GARNEAU		1,978,054
-HERITAGE		7,424,370
-JASPER PLACE		3,514,100
-LONDONDERRY		7,710,776
-MEADOWLARK		5,463,630
-MILLBOURNE		9,818,933
-96TH STREET		3,991,597
-NORTHGATE		13,209,459
-106TH STREET		11,874,662
-123RD STREET		3,954,103
-SOUTHGATE		12,355,990
-SOUTHPARK		3,437,575
-STRATHCONA		7,010,187
-SUMMERLEA		9,878,306
-WEST EDMONTON MALL		2,218,232
-WESTMOUNT		10,577,623
-RETAIL BEER		122,432,610
EDSON		4,456,781
ELK POINT		1,006,178
EMPRESS		227,908
EVANSBURG		1,010,662
FAIRVIEW		1,764,357
FALHER		1,277,700
FOREMOST		387,126
FORESTBURG		654,995
FORT MACLEOD		2,093,328
FORT MCMURRAY		
-MAIN		10,930,468
-THICKWOOD		3,187,965
FORT SASKATCHWN		4,205,759
FORT VERMILION		1,015,064
FOX CREEK		1,058,813
GIBBONS		1,345,391
GLENDON		560,698
GRAND CENTRE		3,909,375
GRANDE CACHE		1,386,910
GRANDE PRAIRIE		12,838,911
GRIMSHAW		1,367,357
HANNA		1,812,090
HARDISTY		663,753
HIGH LEVEL		2,299,985
HIGH PRAIRIE		2,781,595
HIGH RIVER		2,642,032
HINES CREEK		577,550
HINTON		4,002,229
HOLDEN		402,648
HYTHE		422,753
INNISFAIL		2,840,543
JASPER		4,485,307
KILLAM		939,356
LAC LA BICHE		2,554,378
LACOMBE		2,441,869
LAKE LOUISE		1,929,298
LAMONT		884,557
LEDUC		5,913,153
LEGAL		503,808
LETHBRIDGE		
-MCGRATH		3,605,683
-NORTH		6,222,879
-SOUTH		9,419,636
-RETAIL BEER		10,745,073
LLOYDMINSTER		7,119,121
MANNING		1,073,310
MANNVILLE		539,867
MARWAYNE		545,862
MAYERTHORPE		1,362,555
MCLENNAN		405,052
MEDICINE HAT		
-MAIN		9,391,189
-SOUTHVIEW		4,416,976
-RETAIL BEER (closed 03/90)		1,393,199
MILK RIVER		605,080
MILLET		670,693
MORINVILLE		1,782,382
MUNDARE		557,850
MYRNAM		301,752
NANTON		959,315
OKOTOKS		2,816,722
OLDS		2,929,420
ONOWAY		1,346,822
OYEN		1,009,984
PEACE RIVER		4,525,171
PICTURE BUTTE		859,558
PINCHER CREEK		2,628,163
PONOKA		3,058,108
PROVOST		1,728,755
RAINBOW LAKE		696,583
RED DEER		
-CENTRE		3,853,459
-NORTH		6,240,432
-SOUTH		12,687,019
-RETAIL BEER		14,282,482
REDCLIFF		989,678
REDWATER		1,024,820
RIMBEY		1,554,107
ROCKY MOUNTAIN HOUSE		4,483,378
SEXSMITH		613,999
SHERWOOD PARK		12,300,031
SLAVE LAKE		4,053,979
SMOKY LAKE		1,151,025
SPIRIT RIVER		1,316,497
SPRUCE GROVE		6,016,904
ST. ALBERT		
-GRANDIN		3,302,331
-NORTH		9,017,104
-WAREHOUSE		41,503,026
ST. PAUL		3,333,469
STANDARD		254,563
STETTLER	3,140,555	3,246,983
STONY PLAIN	3,475,524	3,496,403
STRATHMORE	2,559,462	2,487,761
SUFFIELD	148,870	157,226
SUNDRE	2,011,184	1,734,162
SWAN HILLS	938,443	933,630
SYLVAN LAKE	2,458,483	2,386,527
TABER	2,539,598	2,543,530
THORHILD	729,990	792,160
THORSBY	853,742	840,449
THREE HILLS	536,520	547,704
TOFIELD	911,414	948,347
TROCHU	763,295	837,201
TURNER VALLEY	1,495,242	1,484,745
TWO HILLS	848,457	865,069
VALLEYVIEW	1,816,179	1,827,856
VAUXHALL	626,676	659,092
VEGREVILLE	2,765,058	2,842,836
VERMILION	2,247,195	2,305,115
VIKING	778,090	762,041
VILNA	688,145	678,175
VULCAN	1,162,015	1,187,049
WABAMUN	866,650	807,176
WAINWRIGHT	2,661,557	2,828,039
WARBURG	334,960	358,258
WATERTON PARK	311,182	324,896
WEMBLEY	395,320	385,838
WESTLOCK	3,133,180	3,272,247
WETASKIWIN	5,983,855	6,036,903
WHITECOURT	3,846,820	3,921,742
WILDWOOD	372,743	411,902
WILLINGDON	306,223	327,726
	1,013,908,537	1,044,804,522

Total Sales do not include Retail Bear Store Discounts

Statement of Sales to Licensees

(in thousands)

Type	Class	1991 Spirits	1991 Wine	1991 Beer	1991 Total	1990 Total
Dining Lounge	A	$ 34,027	$ 15,760	$ 54,233	$104,020	$109,567
Beverage Room		19,954	1,711	78,846	100,511	110,495
Lounge		10,535	4,879	18,703	34,117	37,326
Night Clubs		269	125	378	772	1,218
Convention Centre	B	4	-	5	9	
Public Conveyance		141	156	337	634	618
Racetrack		75	62	682	819	648
Recreational Facilities		807	314	3,212	4,333	4,301
Sports Stadium		1	45	1,545	1,591	1,542
Theatre		78	80	74	232	317
Canteens	C	595	194	2,201	2,990	3,428
Club -						
Annual		5,695	1,626	12,736	20,057	21,504
Seasonal		1,301	372	2,890	4,563	4,720
Institution -						
Residential Facility		18	11	21	50	48
Post-Secondary		411	263	1,720	2,394	2,575
Travellers Lounge		98	22	27	147	119
Hotel Off-Sales	D	574	49	415	1,038	813
Retail Beer Stores				55,494	55,494	40,119
Retail Wine Stores			11,858		11,858	9,434
Special Events		37	39	580	656	743
TOTAL		$ 74,620	$ 37,566	$234,099	$346,285	$349,535

Statement by Product Type

	1991 Sales Domestic $ (000)	Domestic %	Import $ (000)	Import %	1991 Volumes Domestic Hectolitres*	Import Hectolitres*	1991 Gross Profit Domestic $ (000)	Import $ (000)	Total $ (000)	1990 Gross Profit Total $ (000)
SPIRITS										
Whiskey	144,993	46.3	33,741	39.1	62,289	12,648	88,672	20,635	109,307	111,375
Gin	6,763	2.2	2,896	3.4	3,048	1,212	4,136	1,771	5,907	6,298
Liqueurs	12,504	4.0	34,462	40.0	5,669	13,194	7,647	21,076	28,723	29,565
Rum	65,130	20.8	5,514	6.4	29,214	2,403	39,831	3,372	43,203	42,076
Vodka	78,448	25.1	5,656	6.6	37,330	2,646	47,976	3,459	51,435	49,409
Others	5,024	1.6	3,961	4.5	2,289	1,896	3,073	2,422	5,495	6,326
TOTAL	312,862	100.0	86,230	100.0	139,839	33,999	191,335	52,735	244,070	245,049
WINE										
Dessert	5,011	9.9	1,996	2.3	6,871	1,457	2,602	1,037	3,639	3,273
Table	25,006	49.6	71,146	83.5	43,449	88,069	12,986	36,946	49,932	45,776
Sparkling	4,545	9.0	4,228	5.0	7,111	3,655	2,360	2,196	4,556	4,525
Champagne	570	1.1	3,388	4.0	587	1,863	296	1,759	2,055	2,053
Ciders/Coolers	14,798	29.3	3,567	4.2	34,921	2,458	7,685	1,852	9,537	7,838
Others	528	1.1	918	1.0	174	3,049	274	477	751	393
TOTAL	50,458	100.0	85,243	100.0	93,113	100,551	26,203	44,267	70,470	63,858
BEER										
Standard	292,043	69.0	47,855	97.3	1,026,365	203,735	108,952	26,980	135,932	142,200
Light	67,671	16.0	163	0.3	245,678	536	25,246	92	25,338	23,397
Low Malt	10,591	2.5	3	0.0	36,452	11	3,951	2	3,953	5,073
Draft	51,192	12.1	753	1.5	304,443	2,915	19,098	425	19,523	9,549
Other	1,938	0.4	402	0.9	-	-	723	227	950	
TOTAL	423,435	100.0	49,176	100.0	1,612,938	207,197	157,970	27,726	185,696	180,219
TOTAL ALL PRODUCTS	786,755		220,649		1,845,890	341,747	375,508	124,728	500,236	489,126

These totals are net of deposits excluding domestic beer.

* Hectolitres do not include special orders, stock shortages, returns or duty free sales.

Schedule of Payments to Governments

(in thousands)

	[illegible]	Fiscal 1990
Federal Government		
Receiver General		
Excise, Duty and Federal Sales Tax*	$ [illegible]	$ 129,063
Provincial Government		
Provincial Treasurer		
Remittances	[illegible]	400,000
Municipal Governments		
Property Taxes	[illegible]	2,937
Business Taxes	[illegible]	751
	[illegible]	3,688
Payments to Governments by ALCB	[illegible]	532,751
Alberta Brewers		
Sales* & Excise taxes paid directly to the federal government (excluding wineries and distillers)	[illegible]	64,627
Total Payments to Governments	$ [illegible]	$ 597,378

* Federal Sales Tax is not applicable in 1991

FINANCIAL STATEMENTS

AUDITOR'S REPORT

To the Members of the
Alberta Liquor Control Board

I have audited the balance sheet of the Alberta Liquor Control Board as at January 7, 1992 and the statements of income, unremitted income and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at January 7, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
March 31, 1992

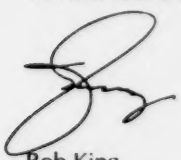
BALANCE SHEET

(in thousands)

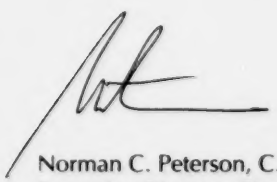
As at January 7, 1992

	Fiscal 1991	Fiscal 1990
ASSETS		
Current Assets		
Cash	$ 25,788	$ 31,071
Accounts Receivable	1,378	5,249
Inventories (Note 3)	49,339	55,871
Prepaid Expenses	2,221	2,534
	78,726	94,725
Capital Assets (Note 4)	117,834	119,598
Deferred Charges	181	208
	$ 196,741	$ 214,531
LIABILITIES AND APPROPRIATION		
Current Liabilities		
Accounts Payable	$ 44,892	$ 31,868
Unremitted Income Payable to Provincial Treasurer	13,849	44,663
	58,741	76,531
Appropriation for Capital (Note 5)	138,000	138,000
	$ 196,741	$ 214,531

APPROVED BY MANAGEMENT:



Bob King
Chairman and Chief Executive Officer



Norman C. Peterson, C.A.
Executive Director, Finance

The accompanying notes are part of these financial statements.

Statement of Income

(in thousands)

For the year ended January 7, 1992

	Fiscal 1991	Fiscal 1990
Sales		
Beer	$ 472,612	$ 480,104
Spirits	399,091	425,597
Wine	135,701	135,059
	1,007,404	1,040,760
Cost of Goods Sold		
Beer	286,915	299,885
Spirits	155,021	180,548
Wine	65,232	71,201
	507,168	551,634
Gross Profit on Sales	500,236	489,126
Operating Expenses (Note 6)	94,938	88,899
Profit on Sales	405,298	400,227
Other Income (Note 7)	6,469	6,117
Container Administration Expense, net (Note 8)	(3,401)	(2,566)
External Services Expense (Note 9)	(180)	-
Net Income for the Year	$ 408,186	$ 403,778

Statement of Unremitted Income

(in thousands)

For the year ended January 7, 1992

	Fiscal 1991	Fiscal 1990
Unremitted Income, at beginning of year	$ 44,663	$ 40,885
Add: Net Income for the year	408,186	403,778
	452,849	444,663
Deduct: Remittances to Provincial Treasurer	439,000	400,000
Unremitted Income, at end of year	$ 13,849	$ 44,663

Statement of Changes in Financial Position

(in thousands)

For the year ended January 7, 1992

	Fiscal 1991	Fiscal 1990
Cash from Operations		
Net income for the year	$408,186	$403,778
Amortization	5,439	5,036
(Gain) loss on disposal of capital assets	(91)	89
Net change in non-cash working capital balances	23,740	10,178
	437,274	419,081
Remittances to Provincial Treasurer	(439,000)	(400,000)
	(1,726)	19,081
Cash used for Investment		
Purchase of capital assets	(3,668)	(3,853)
Proceeds on disposal of capital assets	104	30
(Increase) decrease in deferred charges	27	(6)
	(3,537)	(3,829)
Increase (Decrease) in Cash	(5,263)	15,252
Cash, beginning of year	31,071	15,819
Cash, end of year	$ 25,788	$ 31,071

Notes to the Financial Statements

(tabular amounts in thousands)

January 7, 1992

Note 1 Authority

The Alberta Liquor Control Board operates under the authority of the Liquor Control Act, Chapter L-17, Revised Statutes of Alberta 1980, as amended.

Note 2 Significant Accounting Policies and Reporting Practices

Fiscal Year
The Liquor Control Act specifies the first Tuesday in each calendar year as the fiscal year end of the Board. Accordingly, the fiscal year 1991 was comprised of 53 weeks ending January 7, 1992, and fiscal year 1990 was comprised of 52 weeks ending January 1, 1991.

Inventories
Inventories are valued at cost which is not in excess of net realizable value. Cost is determined as follows:

Stores and Warehouses - Invoiced cost, freight, duties, and taxes
In Bond - Invoiced cost and freight
In Transit - Invoiced cost
Stock Futures - Invoiced cost

Capital Assets
Capital assets are stated at cost less accumulated amortization. Amortization is calculated on the straight-line method at annual rates which will reduce the original cost to estimated residual value over the useful life of the asset, as follows:

Buildings:	
of a permanent nature	2.5%
of a mobile nature	5%
Furniture and Equipment:	
Cost $50,000 and greater	10% or 20%
Cost less than $50,000	100%
Leasehold Improvements:	2.5% or remainder of lease, whichever is less
Vehicles:	20%
Computer Software:	33.3%

Deferred Charges
Deferred charges represent lease and maintenance prepayments which are long term and are amortized over the life of the agreements.

NOTE 3 INVENTORIES

LOCATION	JANUARY 7, 1992 SPIRITS	WINE	BEER	TOTAL	JANUARY 1, 1991 TOTAL
Stores	$15,250	$6,021	$6,122	$27,393	$21,507
Warehouse					
Duty Paid	429	2,053	143	2,625	17,155
In Bond	9,024	4,595	857	14,476	13,304
In Transit	1,681	2,378	105	4,164	3,019
Stock Futures	-	681	-	681	886
	$26,384	$15,728	$7,227	$49,339	$ 55,871

Duties and taxes amounting to approximately $8,690,000 (January 1, 1991 - $6,740,000) will become payable when inventories held in bond are released for sale.

NOTE 4 CAPITAL ASSETS

	JANUARY 7, 1992 COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	JANUARY 1, 1991 NET BOOK VALUE
Land	$23,365	$ -	$23,365	$ 23,359
Buildings	112,956	26,180	86,776	88,661
Furniture and Equipment	27,797	25,734	2,063	2,339
Leasehold Improvements	8,421	3,579	4,842	4,820
Vehicles	160	128	32	36
Computer Software	1,481	725	756	383
	$174,180	$56,346	$117,834	$ 119,598

The Calgary warehouse discontinued operations on August 31, 1991. The land and buildings are being held for resale. Net book value of the building is $6,587,000 and the value of the land is $1,147,000.

NOTE 5 APPROPRIATION FOR CAPITAL

The Liquor Control Act provides that the Board shall maintain a capital account to provide funds for acquiring land and buildings and maintaining the inventories and other assets necessary to the operations of the Board.

NOTE 6 OPERATING EXPENSES

	FISCAL 1991	FISCAL 1990
Salaries and Benefits:		
Union and excluded salaries	$ 24,627	$ 22,922
Management salaries	18,661	16,855
Casual and part-time wages	12,940	12,331
Payroll benefits	7,450	6,469
Other benefits	310	411
	63,988	58,988
Property	13,597	13,094
Amortization	5,405	4,992
Product expense	2,405	1,693
Data processing	2,055	2,694
Stationery, postage and supplies	1,851	2,322
Bank charges	1,538	612
Travel and training	1,133	1,149
Telephone and communication	755	725
Equipment and vehicles	661	913
Fees and services	651	800
Insurance and security	612	587
Miscellaneous	287	330
	$ 94,938	$ 88,899

NOTE 7 OTHER INCOME

	FISCAL 1991	FISCAL 1990
Licenses and permits	$ 2,161	$ 1,843
Liquor levies and commissions	1,609	2,165
Miscellaneous	2,699	2,109
	$ 6,469	$ 6,117

Notes to the Financial Statements

Note 8 Container Administration Expense

This expense represents the net cost of administering and refunding deposits on spirits, wine and imported beer containers pursuant to the Beverage Container Act, Chapter B-4, Revised Statutes of Alberta 1980, as amended.

Note 9 External Services Expense

Expenses for external services relate to administrative support provided to the Beverage Alcohol Advisory Committee and the Liquor Licensing Appeal Council. The Beverage Alcohol Advisory Committee provides advice to the Minister and the Board on matters within the scope of the Liquor Control Act. The Liquor Licensing Appeal Council hears appeals by licensees of Board decisions that arise from a hearing with the licensee.

Note 10 Lease Commitments

A number of the Board's stores operate under lease arrangements with terms ranging from one to forty one years. Numerous store leases presently being renegotiated have been included using the expected terms of the contract settlements. The Board also leases data processing equipment. The approximate rental under these arrangements is summarized as follows:

Fiscal	1992	$ 4,638
	1993	4,178
	1994	3,741
	1995	3,152
	1996	2,715
Balance to expiry		12,607
		$31,031

Note 11 Comparative Figures

The previous years comparative figures have been reclassified to conform with the basis of presentation adopted for the current year.